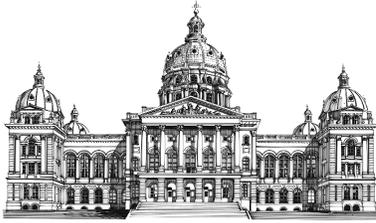


Iowa Legislative Fiscal Bureau

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State Capitol
Des Moines, IA 50319
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State of Iowa Obligations

ISSUE

A review of the annual level of obligations of State agencies and State authorities for the past 6 fiscal years.

AFFECTED AGENCIES

Board of Regents	Department of Commerce
Department of Corrections	Department of General Services
Department of Transportation	Underground Storage Tank Board
Judicial Districts	Iowa Finance Authority
Iowa Higher Education Loan Authority	Iowa State Fair Authority

CODE AUTHORITY

Section 12.1, Code of Iowa

BACKGROUND

The Treasurer of State provides an annual report on the status of State obligations for all political subdivisions, instrumentalities, and agencies of the State. The departments and authorities listed above are those that have had obligations between FY 1988 and FY 1993. The type of obligations incurred by State agencies and authorities primarily include revenue bonds and lease purchases through the issuance of Certificates of Participation.

The obligations discussed within this report include debt incurred through the issuance of bonds and Certificates of Participation (COPs) in which the repayment is longer than 12 months. Tax and Revenue Anticipation Notes (TRANS) issued by the Treasurer of State for annual cash flow purposes are not included within this report.

State authorities were established to assist Iowans with financing key areas such as agriculture, housing, and education. Only 3 of the 6 authorities have issued bonds in the passed 6 years. The 6 authorities are listed in the table below.

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CURRENT SITUATION

As of June 30, 1993, the total obligations for State agencies and authorities was \$1,288.4 million. This included \$724.7 million in obligations for State agencies and \$563.7 million in obligations for State authorities. This is an increase of \$435.3 million (51.0%) between FY 1988 and FY 1993. However, it is a decrease of \$79.8 million (5.8%) compared to FY 1992.

The majority of the obligations consists of \$524.2 million in bonds issued by the Board of Regents on behalf of the 3 State universities for construction and renovation of public buildings and \$522.5 million issued by the Iowa Finance Authority for housing programs.

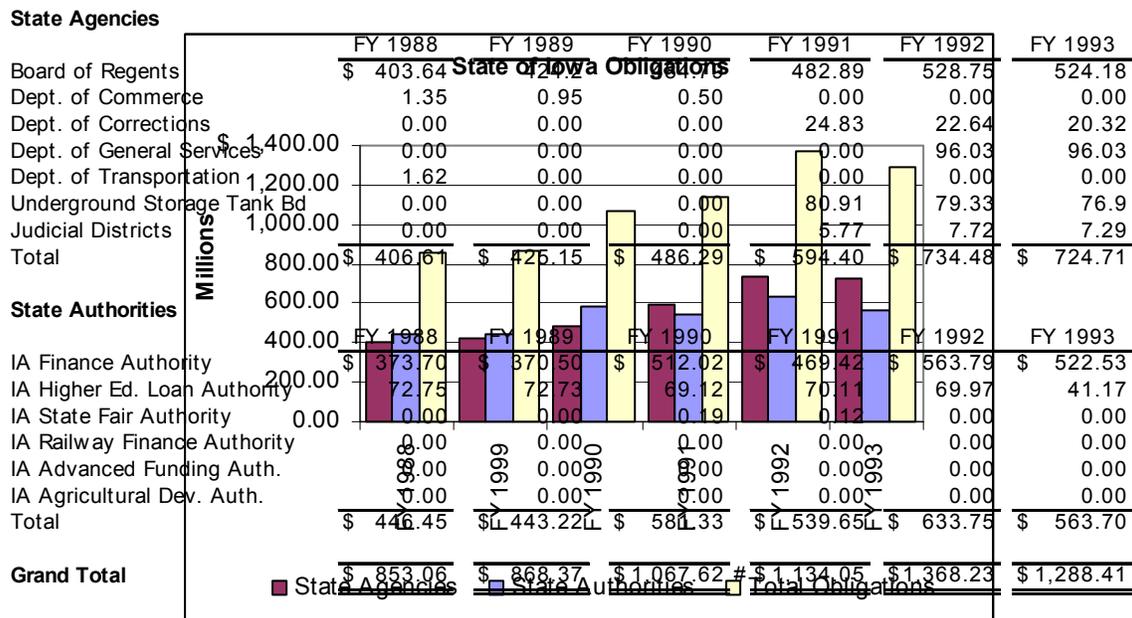
Other significant obligations include:

- Certificates of Participation of \$20.3 million issued by the Department of Corrections for land and facilities.
- Bonds in the amount of \$96.0 million issued by the Department of General Services for financing the Iowa Communications Network.
- \$76.9 million issued by the Iowa Finance Authority on behalf of the Underground Storage Tank Board for financing the underground storage tank program.

The following table presents the agencies and authorities with the total obligations for each fiscal year from FY 1988 to FY 1993.

The following chart shows total obligations for both State agencies and authorities reached the

STATE OBLIGATIONS
(In Millions)



highest level in FY 1992. The level of obligations for State agencies rose steadily until FY 1993, while the level of obligations among authorities fluctuated.

Each year State agencies submit financial information to the Department of Revenue and Finance for the Comprehensive Annual Financial Report (CAFR). The CAFR reports loan and contract agreements, capital leases, and installment purchases. These amounts are not included in the level of obligations presented above, because they are not classified as bonds.

ALTERNATIVES

This is presented for information purposes only.

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